

Regular Session, 2013

HOUSE BILL NO. 328

BY REPRESENTATIVE TALBOT

TAX/AD VALOREM-EXEMPTION: (Constitutional Amendment) Adds ad valorem property tax exemptions for certain inventory held by manufacturers, distributors, and retailers and natural gas used in providing natural gas storage services or operating natural gas storage facilities

A JOINT RESOLUTION

Proposing to add Article VII, Section 21(M) and (N) of the Constitution of Louisiana, relative to ad valorem property tax exemptions; to provide for an exemption from ad valorem property tax for certain inventory held by certain taxpayers; to provide for an exemption from ad valorem property tax for certain natural gas used in providing natural gas storage services or operating natural gas storage facilities; to provide for submission of the proposed amendment to the electors; to provide for an effective date; and to provide for related matters.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state of Louisiana, for their approval or rejection in the manner provided by law, a proposal to add Article VII, Section 21(M) and (N) of the Constitution of Louisiana, to read as follows:

§21. Other Property Exemptions

Section 21. In addition to the homestead exemption provided for in Section 20 of this Article, the following property and no other shall be exempt from ad valorem taxation:

* * *

(M) Inventory held by manufacturers, distributors, and retailers. For purposes of the exemption provided for in this Paragraph, the term "manufacturer"

1 shall mean a person engaged in the business of working raw materials into wares
2 suitable for use or a business which gives new shapes, qualities, or combinations to
3 matter which has been through some artificial process; the term "distributor" shall
4 mean a person engaged in the sale of products for resale or further processing for
5 resale; and the term "retailer" shall mean a person engaged in the sale of products to
6 the ultimate consumer.

7 (N) Natural gas held, used, or consumed in providing natural gas storage
8 services or operating natural gas storage facilities.

9 Section 2. Be it further resolved that this proposed amendment shall be submitted
10 to the electors of the state of Louisiana at the statewide election to be held on November 4,
11 2014.

12 Section 3. Be it further resolved that, after approval by the electors of this state, this
13 amendment shall become effective on January 1, 2015.

14 Section 4. Be it further resolved that on the official ballot to be used at the election,
15 there shall be printed a proposition, upon which the electors of the state shall be permitted
16 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
17 follows:

18 Do you support an amendment to authorize an exemption from ad valorem
19 property taxes for inventory held by manufacturers, distributors, and retailers
20 and an exemption for natural gas held, used, or consumed in providing
21 natural gas storage services or operating natural gas storage facilities?
22 (Effective January 1, 2015) (Adds Article VII, Section 21(M) and (N))

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Talbot

HB No. 328

Abstract: Adds an exemption from ad valorem property taxes for inventory held by manufacturers, distributors, and retailers and for natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities.

Present constitution requires property subject to ad valorem taxation to be listed on assessment roles at its assessed valuation, which is a percentage of the property's fair market value. Further provides for classifications of property and assigns a percentage of fair market value to each classification.

Present constitution authorizes an exemption equal to \$75,000 of a property's fair market value for a bona fide homestead which is owned and occupied by any person. Further authorizes ad valorem property tax exemptions for various other property.

Present law authorizes a refundable tax credit against La. income or corporation franchise tax for ad valorem property taxes paid to political subdivisions on inventory held by manufacturers, distributors, and retailers and for natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities. The amount of the credit shall be equal to 100% of the taxes paid by the taxpayer to the political subdivision.

Proposed constitutional amendment retains present constitution but adds an exemption for inventory held by manufacturers, distributors, and retailers and for natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities.

Proposed constitutional amendment further provides that the term "manufacturer" shall mean a person engaged in the business of working raw materials into wares suitable for use or which gives new shapes, qualities, or combinations to matter which has been through some artificial process; the term "distributor" shall mean a person engaged in the sale of products for resale or further processing for resale; and the term "retailer" shall mean a person engaged in the sale of products to the ultimate consumer.

Effective Jan. 1, 2015.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 4, 2014.

(Adds Const. Art. VII, §21(M) and (N))